

**Statement of Senator Larry E. Craig**  
**Senate Special Committee on Aging**  
**“Direct-to-Consumer Advertising of Prescription Drugs:**  
**What Are the Consequences?”**  
**July 22, 2003**

Good morning. Thank you all for joining us. We are here today to look carefully at the issue of direct-to-consumer advertising prescription drugs and ask some important questions. For example – Does it drive up prices? Does it drive up costs? Does it lead to inappropriate prescribing? Does it provide useful information to consumers? And, ultimately, does direct-to-consumer-advertising of prescription drugs benefit, or harm, the health care system, and especially seniors?

This is an issue that we as legislators hear about quite often. When I go home to Idaho, the cost of health care is one of the topics most often brought to my attention. Many are especially concerned with the dramatic increases in the cost of prescription drugs.

Too many Americans, often seniors, are not able to afford the prescription drugs they need. When they see the introduction of new and expensive advertising campaigns on TV, many ask “Why are pharmaceutical companies spending all of this money on ads instead of lowering prices on their drugs?”

Although DTC advertising may not be the most expensive promotion drug companies do, it is the most visible. The public has noticed the dramatic increase in broadcast advertising over the last few years, and many tell us that they are concerned about it. As I look at the rising cost of prescription drugs, I can certainly understand their concern.

I have also heard concerns about DTC advertising from doctors. They have told me that patients occasionally see advertisements for prescription drugs and don’t understand the risks associated with taking the drugs, or don’t recognize other treatment options that may be available. Some of those treatment options may be less expensive than the prescription drug. I have had some doctors tell me that DTC advertisements negatively impact the doctor-patient relationship.

On the other hand, I have heard of individuals who, as a result of direct-to-consumer advertising, were prompted to visit a doctor concerning a condition they would not have had treated otherwise. There are certainly individuals, including many seniors, who have treatable illnesses, and are not being treated. If DTC advertising can get them in to see their doctors, that is certainly a good thing.

I support the idea of consumer-driven health care. If we expect consumers to make good decisions, we need to assure that they have access to good information. Proponents of DTC advertising claim that it can provide some of that information.

These questions are especially timely in light of the fact that Medicare prescription drug coverage is heading toward enactment and taxpayers may soon be subsidizing a sizable percentage of seniors’ drug costs.

I thank the distinguished panelists and look forward to hearing their testimony.

